

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
FINANCIAL STATEMENTS
Year Ended March 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Ridge-Meadows Minor Hockey Association

Report on the Financial Statements

Opinion

We have audited the financial statements of Ridge-Meadows Minor Hockey Association (the association), which comprise the statement of financial position as at March 31, 2022, and the statements of earnings and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at March 31, 2022, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the association in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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Independent Auditor's Report to the Members of Ridge-Meadows Minor Hockey Association (*continued*)

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Empire CPA

EMPIRE, CHARTERED PROFESSIONAL ACCOUNTANTS

Maple Ridge, BC
January 26, 2023

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF EARNINGS
Year Ended March 31, 2022

	2022	2021
REVENUES		
A Player fees	\$ 219,861	\$ 125,428
Community gaming grant (Note 8)	100,000	100,000
Development income	95,718	59,880
Finance fees	-	550
Fundraising and donations	46,444	17,485
Jersey rentals	35,805	28,370
Merchandise sales	-	2,194
Registration fees	743,415	599,993
Tournament income	55,300	-
	1,296,543	933,900
EXPENSES		
Advertising and promotion	7,122	6,348
Amortization	56,340	57,071
Auditing fees	6,825	6,510
Bank charges	4,853	4,208
Bookkeeping	16,065	12,529
Coaching development	75	9,176
Conventions	3,093	1,427
Fundraising expenses (recoveries)	1,499	(3,357)
Hockey supplies	19,966	27,846
Ice rental	585,274	409,528
Insurance	37,887	37,329
Legal fees	4,803	3,870
Membership dues	27,724	53,947
Office and telephone	24,136	13,923
Player evaluation, development and coaching	207,190	165,048
Referees	97,573	24,043
Risk management	55	2,351
Scholarships	1,000	3,000
Tournament expenses	38,290	-
Wages and benefits	167,878	121,130
	1,307,648	955,927
Deficiency of revenues over expenses from operations	(11,105)	(22,027)
Other income		
Canada Emergency Wage Subsidy (Note 9)	-	9,661
CEBA Grant (Note 9)	10,000	10,000
Interest income	196	1,130
	10,196	20,791
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (909)	\$ (1,236)

See notes to financial statements

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF CHANGES IN NET ASSETS
Year Ended March 31, 2022

	2022	2021
UNRESTRICTED NET ASSETS		
General Reserve		
Balance, beginning of year	\$ 290,250	\$ 319,856
Net surplus (deficit)	(909)	(1,236)
	289,341	318,620
Transfer to tangible capital replacement reserve	(35,805)	(28,370)
Balance, end of year	253,536	290,250
INTERNALLY RESTRICTED NET ASSETS		
Contingency Reserve		
Balance, beginning of year	139,475	138,385
Interest earned	216	1,090
Balance, end of year	139,691	139,475
Tangible Capital Replacement Reserve		
Balance, beginning of year	10,708	(17,662)
Jersey rental fees	35,805	28,370
Balance, end of year	46,513	10,708
Total Internally Restricted Net Assets	186,204	150,183
TOTAL NET ASSETS	\$ 439,740	\$ 440,433

See notes to financial statements

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF CASH FLOWS
Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
deficiency of revenues over expenses	\$ (909)	\$ (1,236)
Item not affecting cash:		
Amortization of tangible capital assets	56,340	57,071
	55,431	55,835
Changes in non-cash working capital:		
Accounts receivable	(9,449)	(435)
Prepaid expenses	45,000	(25,806)
Accounts payable and accrued liabilities	47,438	(1,595)
	82,989	(27,836)
Cash flow from operating activities	138,420	27,999
INVESTING ACTIVITY		
Purchase of tangible capital assets	(98,655)	-
FINANCING ACTIVITY		
CEBA Loan (net)	10,000	30,000
INCREASE IN CASH FLOW	49,765	57,999
Cash - beginning of year	211,904	153,905
CASH - END OF YEAR	\$ 261,669	\$ 211,904
CASH CONSISTS OF:		
Cash	\$ 261,669	\$ 114,030
Term deposits	-	97,874
	\$ 261,669	\$ 211,904

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
STATEMENT OF FINANCIAL POSITION
March 31, 2022

	2022	2021
ASSETS		
Current		
Cash	\$ 261,669	\$ 114,030
Term deposits	-	97,874
Accounts receivable	11,028	1,579
Prepaid expenses (Note 4)	-	45,000
	272,697	258,483
Tangible capital assets (Note 5)	132,450	90,136
Internally restricted deposits (Note 6)	139,691	139,475
	\$ 544,838	\$ 488,094
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 65,098	\$ 17,661
CEBA Loan (Note 9)	40,000	30,000
	105,098	47,661
NET ASSETS		
Unrestricted net assets	253,536	290,250
Internally restricted net assets	186,204	150,183
	439,740	440,433
	\$ 544,838	\$ 488,094

ON BEHALF OF THE BOARD

Derek Dudulec

Director

See notes to financial statements

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2022

1. PURPOSE AND NATURE OF THE ASSOCIATION

Ridge-Meadows Minor Hockey Association (the "Association") is a not-for-profit organization incorporated provincially under the Society Act of British Columbia. The Association encourages, promotes and conducts the sport of amateur hockey in the cities of Maple Ridge and Pitt Meadows, British Columbia.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian GAAP.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income on short-term investments is recorded on an accrual basis.

Government grants are included in income when it is reasonably assured that the Association has complied with and will continue to comply with all the conditions of the grant.

Tournament, development, registration and jersey rental income are recognized as they are earned in accordance to their applicable registration periods.

Tangible capital assets

Tangible capital assets and amortization is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	5 years	straight-line method
Furniture and equipment	5 years	straight-line method
Hockey equipment	5 years	straight-line method

The association regularly reviews its tangible capital assets and amortization to eliminate obsolete items. Government grants are treated as a reduction of tangible capital assets and amortization cost.

Tangible capital assets and amortization acquired during the year but not placed into use are not amortized until they are placed into use.

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RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2022

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Income taxes

The Association is exempt from Federal and Provincial income taxes.

Use of Estimates

The preparation of the Association's financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements as well as reported amounts of revenues and expenses during the reported period. Actual results may differ from those estimates.

Financial instruments

Financial instruments of the Association consist of cash, accounts receivable, accounts payable and accrued liabilities, and long term debt. The carrying amounts of these financial instruments approximate their fair value due to the immediate or short-term maturity of these financial instruments.

The Association recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

4. Prepaid Expenses

Prepaid expenses consist of a deposit made on jerseys for the 2021/22 hockey season.

5. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	\$ 636	\$ 636	\$ -	\$ 111
Furniture and equipment	43,946	41,846	2,100	8,395
Hockey equipment	307,400	177,050	130,350	81,630
	\$ 351,982	\$ 219,532	\$ 132,450	\$ 90,136

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2022

6. INTERNALLY RESTRICTED DEPOSITS

The Association has allocated funds for future contingencies and scholarships. The Association may not make use of these internally restricted amounts for any other purposes without the approval of the Board of Directors.

	2022	2021
Cash to be held for future contingencies. Requires authorization of an Annual General Meeting for expenditure.	\$ 124,335	\$ 124,119
Cash to be held for future Scholarship Fund. This fund is used to award two annual scholarships of \$1,000 each to a minor hockey player graduating from high school and advancing to post secondary school.	7,374	7,374
Cash to be held for The RMMHA Jim Lindsay Memorial Scholarship Fund. This fund is used to award one annual scholarship of \$1,500 to a minor hockey player graduating from high school and advancing to post secondary school.	7,982	7,982
	<u>\$ 139,691</u>	<u>\$ 139,475</u>

7. TANGIBLE CAPITAL REPLACEMENT RESERVE

During the year ended March 31, 2016, the Board created a Tangible Capital Replacement Reserve. The purpose of this fund is to set aside revenue from registration fees for hockey equipment replacement.

8. COMMUNITY GAMING GRANT REVENUE

The Association received a Community Gaming Grant of \$100,000 (2021 \$100,000) from the Province of British Columbia. This grant is directed to be used to assist with costs for ice rentals, development providers and other costs essential to program delivery. It is conditional upon submission of a successful grant application and available funding from the Community Gaming Grant Program.

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2022

9. GOVERNMENT GRANTS

As a result of the impacts of COVID-19 on businesses the government has created many subsidy and grant programs to support businesses and employees. The Association participated in the following programs in the year:

Canada Emergency Wage Subsidy

The Canada Emergency Wage Subsidy is a program available to eligible Canadian employers which have incurred a decrease in revenues since March 2020. The Association has received \$ 0 (2021 - \$9,661) in income from the Canada Emergency Wage Subsidy.

CEBA Loan

The CEBA program provides interest-free loans to small businesses and not-for-profits with no repayment terms or interest charges until December 31, 2023. Where all terms are met and repayment is made before December 31, 2023, \$20,000 of the loan will be forgiven. The Association received an additional \$20,000 CEBA loan during the year, for a total loan balance of \$60,000. The Association expects to repay the amount prior to the deadline, as such the forgivable portion of \$10,000 for the current year, and \$20,000 in total, has been recorded as income.

10. CAPITAL DISCLOSURE

The Association defines its capital as the amounts included in its net asset balances.

The Association's objective when managing its capital is to safeguard the Association's ability to continue as a going concern so that it can continue to provide the appropriate level of benefits and services to the communities of Maple Ridge and Pitt Meadows through its amateur hockey programs.

11. REMUNERATION PAID

During the year, the Society paid wages of \$85,600 to one employee who was paid in excess of \$75,000.

12. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, and long term debt.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments.

13. COMPARATIVE FIGURES

Certain balances of the preceding period have been reclassified to conform with the current year's financial statement presentation.

RIDGE-MEADOWS MINOR HOCKEY ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2022

14. COVID-19

Since December 31, 2019, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global equity markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and continued impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. It is not possible to reliably estimate the length and severity of these developments and the continued impact on the financial results and condition of the Association.